

Quebec
Manitou
Mines
Limited

annual report – 1974

QUEBEC MANITOU MINES LIMITED

OFFICERS	D. L. Marcus President
	M. R. Goldhar Vice-President & Treasurer
	I. A. McEWAN, Q.C. Secretary
DIRECTORS	H. E. Clark Montreal, Quebec
	J. A. Farquhar Ottawa, Ontario
	M. R. Goldhar Toronto, Ontario
	D. L. Marcus Ottawa, Ontario
	F. J. McDonald Ottawa, Ontario
	G. Moreau Montreal, Quebec
	R. G. Muscroft Val d'Or, Quebec
AUDITORS	Deloitte, Haskins & Sells Ottawa, Ontario
BANKERS	Canadian Imperial Bank of Commerce Ottawa, Ontario
REGISTRAR AND TRANSFER AGENT	Canada Permanent Trust Company Toronto, Ontario
SHARE LISTING	Toronto Stock Exchange Toronto, Ontario
HEAD OFFICE	Suite 2005, 130 Albert Street Ottawa, Ontario

ANNUAL MEETING

11:00 A.M. — 25 June, 1975

Salon Cartier, Chateau Laurier Hotel, Ottawa

QUEBEC MANITOU MINES LIMITED

REPORT OF THE DIRECTORS

Your directors submit herewith their report together with audited financial statements of your Company for the year ended 31 December 1974.

Exploration plans in 1975 call for:

- (a) field work, including stripping and sampling of gold showings, on twenty mining claims in Duplessis Township which are held under option, and
- (b) participation with Manitou-Barvue Mines Limited in a geophysical survey of selected areas of an optioned base metals prospect in the Cabonga Reservoir area of Quebec.

The option held on the Lichfield Township property was dropped as our exploration programme thereon did not indicate anything of economic interest.

A large increase in legal and audit expenses is primarily due to the fact that the Company was a party to a lawsuit launched against it and some of its directors by a shareholder. The purpose of the action was to prevent the Company from voting its holding of shares of Manitou-Barvue Mines Limited at a meeting of the shareholders of that Corporation. The Company has defended the action successfully at the original hearing and upon an appeal taken by the shareholder. In view of the novelty of the action, no costs were awarded by the Court.

On behalf of the Board of Directors

Ottawa, Canada,
29 May, 1975.

D. L. MARCUS,
President.

QUEBEC MANITO

(Under The Business)

BALANCE SHEET AS

(with 1973 figures)

ASSETS

197

CURRENT ASSETS:

Cash and deposit certificates	\$ 542
Accrued interest receivable	8
Investments — at nominal value	
Total current assets	540

OTHER ASSETS — at cost:

Investment in marketable securities — at cost (Note 1)	332
Furniture and fixtures	10
Mining properties and rights (Note 2)	198
Deferred exploration and development expenditures (Note 3)	579
TOTAL	\$1,165

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

Accrued charges	\$ 90
Unclaimed dividends	6
Due to affiliated company	160
Total current liabilities	270

SHAREHOLDERS' EQUITY:

CAPITAL STOCK:

Authorized:	
5,000,000 shares without par value	
Issued and fully paid:	
4,366,000 shares (1973 — 3,966,000 shares)	922
Retained earnings	215
Total shareholders' equity	1,137
TOTAL	\$1,165

Approved by the Board:

D. L. MARCUS, Director.

R. G. MUSCROFT, Director.

The accompanying notes are an integral part of the financial statements.

MINES LIMITED

Corporations Act, Ontario)

DECEMBER 31, 1974

(for comparison)

1973

\$ 1,685

1

1,686

319,832

100

193,969

567,091

\$1,082,678

\$ 525

641

13,053

14,219

822,838

245,621

1,068,459

\$1,082,678

AUDITORS' REPORT

To the Shareholders of
Quebec Manitou Mines Limited:

We have examined the balance sheet of Quebec Manitou Mines Limited as at December 31, 1974 and the statements of loss and retained earnings, changes in financial position and deferred exploration and development expenditures for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1974 and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloitte, Haskins & Sells
Auditors.

February 13, 1975.

QUEBEC MANITOU MINES LIMITED

STATEMENT OF LOSS AND RETAINED EARNINGS

1974

1973

For the year ended December 31, 1974
(with 1973 figures for comparison)

INCOME:

Interest	\$ 4,582	\$ 1,016
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EXPENSES:

Administrative expenses	8,831	7,531
Transfer agents' fees	2,567	1,662
Legal and audit	16,256	904
Annual meeting expense	1,830	1,685
Exploration, development and other costs incurred on mining claims abandoned during year	5,237	—
	<u>34,721</u>	<u>11,782</u>

NET LOSS FOR THE YEAR	30,139	10,766
RETAINED EARNINGS AT BEGINNING OF THE YEAR	245,621	256,387
RETAINED EARNINGS AT END OF THE YEAR	<u>\$ 215,482</u>	<u>\$ 245,621</u>

The accompanying notes are an integral part of the financial statements.

QUEBEC MANITOU MINES LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION

1974

1973

For the year ended December 31, 1974
(with 1973 figures for comparison)

SOURCE OF FUNDS:

Interest received	\$ 4,582	\$ 1,016
Issue of shares	100,000	—
Total	<u>104,582</u>	<u>1,016</u>

USE OF FUNDS:

Administrative and general expense	29,484	11,782
Property option payments — net	5,355	701
Exploration and development — net	17,392	5,894
Increase in investments in marketable securities	12,454	52,087
Total	<u>64,685</u>	<u>70,464</u>
INCREASE (DECREASE) IN WORKING CAPITAL FOR THE YEAR	39,897	(69,448)
WORKING CAPITAL (DEFICIENCY) AT BEGINNING OF THE YEAR	(12,533)	56,915
WORKING CAPITAL (DEFICIENCY) AT END OF THE YEAR	<u>\$ 27,364</u>	<u>\$ (12,533)</u>

STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES

1974

1973

For the year ended December 31, 1974
(with 1973 figures for comparison)

BALANCE AT BEGINNING OF THE YEAR	\$ 567,091	\$ 561,197
CURRENT YEAR'S EXPENDITURES	12,656	5,894
BALANCE AT END OF THE YEAR	<u>\$ 579,747</u>	<u>\$ 567,091</u>

The accompanying notes are an integral part of the financial statements.

QUEBEC MANITOU MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1974

1. INVESTMENTS IN MARKETABLE SECURITIES

Investments include 954,427 shares of Manitou-Barvue Mines Limited, which represent a 25.0% interest, at a cost of \$324,394 and with a quoted market value at December 31, 1974 of \$954,427 (1973 — 940,927 shares, which represent a 24.8% interest, with a quoted market value of \$611,602). Because of the number of shares involved, the quoted market value of the investment in Manitou-Barvue Mines Limited is not necessarily indicative of the amount which would be realized if this investment were sold.

2. MINING PROPERTIES AND RIGHTS

The company holds the following mining properties and rights:

- (a) A fixed 17½% non-assessable interest is held in 55 mining claims in Langmuir Township, Ontario, valued at a net cost of \$18,464.
- (b) 24 mining claims in Bourlamaque Township, Quebec, carried at costs to date, which do not necessarily reflect present or future values, which may be more or less than the amount shown of \$173,804. In consideration of the issue of 40,000 shares of Manitou-Barvue Mines Limited to the company, an option was granted to Manitou-Barvue Mines Limited until June 30, 1976, which can be extended under certain conditions to June 30, 1981, to develop and place into production these Bourlamaque Township mining claims at no additional obligation or expense to Quebec Manitou Mines Limited. Under the option agreement, after Manitou-Barvue Mines Limited is reimbursed for all funds expended by it to bring the property into production, Manitou-Barvue Mines Limited is required to issue to the company an additional 60,000 shares of Manitou-Barvue Mines Limited. When Manitou-Barvue Mines Limited has received an additional sum of \$100,000, further revenue and interests are to be shared as to 25% by Quebec Manitou Mines Limited and as to 75% by Manitou-Barvue Mines Limited.
- (c) A 40% interest in an option on 64 mining claims in the Cabonga District, Quebec. The option expires on November 1, 1975.
- (d) An option to explore and develop 20 mining claims in Duplessis Township, Quebec. This option was obtained at a cost of \$5,355 and expires on May 1, 1977 by which time the company may either acquire a 100% interest in the claims by issuing 500,000 fully paid shares of the company to the vendor or to elect to bring the mining claims into production and to pay to the owner a royalty of 15% of the mining profits.

3. DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES

These costs relate to the mining properties described in Note 2, above.

4. LOSSES CARRIED FORWARD

The company has available for income tax purposes, losses and deferred exploration and development expenditures of approximately \$1,200,000. The losses expire as follows:

Year	Loss
1975	\$ 20,967
1976	20,549
1977	10,426
1978	10,766
1979	24,902
	<u>\$ 87,610</u>

5. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

The total remuneration paid to directors and senior officers, as defined by The Business Corporations Act, Ontario, for the year ended December 31, 1974 was \$4,600 (1973 — \$4,450).

6. COMPARATIVE FIGURES

Certain of the 1973 figures have been reclassified to conform to the 1974 presentation.